Barclays Bank Ireland PLC

Disclosures for the European Union (EU) Sustainable Finance Disclosure Regulation (SFDR) – Annex

The following disclosures apply in respect of the Discretionary Portfolio Management ("DPM") services Barclays Bank Ireland PLC ("BBI") provides to its clients and the associated DPM mandate (each an "Account") managed by BBI for such clients.

1. Status under the SFDR and framework regulation

1.1 Under the SFDR, "sustainability risk" means an environmental, social or governance ("ESG") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. These are referred to as "ESG Risks".

1.2 For the purposes of SFDR, ESG Risk is not concerned with the risk of harm that BBI's investment decisions may have externally, to sustainability factors i.e. it is concerned with the financial impact to the value of our client's investments rather than the "values" which Barclays is adopting in the wider field of tackling ESG matters. The external harm of investment decisions is covered by a separate regime under SFDR, which considers the principal adverse impacts of a firm's investment decisions and on sustainability factors. BBI has separately implemented a due diligence policy on this matter.

1.3 BBI has implemented a policy in respect of the integration of sustainability risks in its investment decision making-process ("Policy"). Further information on this policy is set out in this document under "Summary of BBI's Sustainability Risks Policy" – section 2.

1.4 BBI's assessment of the likely impacts of sustainability risks on the returns of the Account are set out below under "Impact of ESG Risks on returns" – section 3.

2. Summary of BBI's Sustainability Risks Policy

2.1 Portfolio managers assess the ESG Risk of an investment by looking at a number of ESG factors. ESG provides an indication of the operational quality of a business, and its ability to mitigate against risk that may arise from ESG factors.

2.2 The DPM strategies offered by BBI invest across a number of asset classes and security types including, and not limited to, direct equities, direct bonds, funds, structured products, warrants, hedging instruments, and cash. As such, the methodology of ESG assessment varies, and is dependent on the asset class, financial instrument in question, and on the team carrying out the analysis.

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Direct equity securities

2.3 An ESG Risk assessment is carried out by analysing a range of systematic and company specific quantitative factors, that then guide further qualitative analysis. This assessment is carried out at the initiation stage of a new investment, with ongoing monitoring carried out by portfolio managers as required.

2.4 The ESG quantitative factors used during the assessment include a large range of ESG risk factors.

Direct fixed income securities

2.5 Direct fixed income securities are selected by portfolio managers from an approved issuer list, compiled using a number of quantitative and qualitative factors, including an ESG screen. A third party ESG ratings provider is used to obtain an overall ESG quality grade for an issuer, based on the specific risk that issuer faces from ESG factors, and their ability to mitigate against these risks. BBI screens out issuers with ESG quality grades below certain pre-defined levels.

Funds

2.6 Each fund is analysed by our portfolio managers prior to being included within a DPM strategy. The analysis is focused on the methodologies employed by the third-party managers in managing the fund more broadly and the ESG qualities of the manager and the fund are assessed at this stage.

Non-Applicable investments

2.7 Discretionary portfolios may include instruments for which ESG analysis is non-applicable. This is typically due to there not being an underlying business exposed to ESG Risks. These instruments are typically held for risk mitigation/ diversification purposes (for example, hedging instruments/derivatives).

3. Impact of ESG Risks on returns

3.1 BBI has assessed the impact of ESG Risks on the returns of the Account, with the following section focusing on the qualitative summary of those risks.

3.2 Assessment of ESG Risks is complex and requires subjective judgements, which may be based on data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that our models will correctly assess the impact of ESG Risks on the Account's investments.

3.3 To the extent that an ESG Risk occurs, or occurs in a manner that is not anticipated by our models, there may be a sudden, material negative impact on the value of an investment, and hence the returns on the Account. Such negative impact may result in an entire loss of value of the relevant investment(s) and may have an equivalent negative impact on the returns on the Account.

3.4 The impacts following the occurrence of an ESG Risk may be numerous and vary depending on the specific risk and asset class. In general, where an ESG Risk occurs in respect of an asset, there will be a negative impact on, and may be an entire loss of, its value. For a corporate, this may be due to the damage to its reputation, with a consequential fall in demand for its products or services, loss of key personnel, exclusion from potential business opportunities, increased costs of doing business and / or increased cost of capital.

3.5 A corporate may also suffer the impact of fines and other regulatory sanctions. The time and resources of the corporate's management team may be diverted from furthering its business and be absorbed seeking to deal with the ESG Risk, including changes to business practices and dealing with investigations and litigation. ESG Risks may also give rise to loss of assets and/or physical loss including damage to real estate and infrastructure. The utility and value of assets held by businesses to which the Account is exposed may also be adversely impacted by an ESG Risk.

3.6 ESG Risks are relevant as both standalone risks and as cross-cutting risks, which manifest through many other risk types, which are relevant to the assets of the Account. For example, the occurrence of an ESG Risk can give rise to financial and business risk, including a negative impact on the credit worthiness of other businesses. The increasing importance given to sustainability considerations by both businesses and consumers means that the occurrence of an ESG Risk may result in significant reputational damage to affected businesses. The occurrence of an ESG Risk may also give rise to enforcement risk by governments and regulators, and litigation risk.

3.7 An ESG Risk may arise and impact a specific investment or may have a broader impact on an economic sector, geographical regions and / or jurisdictions and political regions.

3.8 Many economic sectors, regions and / or jurisdictions, including those in which the Account may invest, are currently and / or in the future may be, subject to a general transition to a greener, lower carbon and less polluting economic model. Drivers of this transition include governmental and / or regulatory intervention, evolving consumer preferences and / or the influence of non-governmental organisations and special interest groups.

3.9 Laws, regulations and industry norms play a significant role in controlling the impact on sustainability factors of many industries, particularly in respect of environmental and social factors. Any changes in such measures e.g. increasingly stringent environmental or health and safety laws can have a material impact on the operations, costs and profitability of businesses. Furthermore, businesses which are in compliance with current measures may suffer claims, penalties and other liabilities in respect of alleged prior failings. Any of the foregoing may result in a material loss in value of an investment linked to such businesses.

3.10 Certain industries also face considerable scrutiny from regulatory authorities, non-governmental organisations and special interest groups in respect of their impact on sustainability factors e.g. compliance with minimum wage or living wage requirements and working conditions for personnel in the supply chain. The influence of such authorities, organisations and groups along with the public attention they may bring can cause affected industries to make material changes to their business practices, which can increase costs and result in a material negative impact on the profitability of businesses. Such external influence can also materially impact the consumer demand for a business's products and services, which may result in a material loss in value of an investment linked to such businesses.

3.11 Sectors, regions, businesses and technologies that are carbon-intensive, higher polluting or otherwise cause a material adverse impact on sustainability factors may suffer from a significant fall in demand and / or obsolescence, resulting in stranded assets the value of which is significantly reduced or entirely lost ahead of their anticipated useful life. Attempts by sectors, regions, businesses and technologies to adapt in order to reduce their impact on sustainability factors may not be successful, and may result in significant costs being incurred and future ongoing profitability may be materially reduced.

3.12 In the event that an ESG Risk arises this may cause investors, including BBI in respect of the Account, to determine that a particular investment is no longer suitable and to divest of it (or not make an investment in it), further exacerbating the downward pressure on the value of the investment.

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Item Ref: IBIM10471_IRE. March 2021